



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

March 9, 2000

David Miller, Resident Agent
Lodestar Energy, Inc.
HC 35 Box 370
Helper, Utah 84526

RE: Conditional Approval of Division Order Response, Lodestar Energy, Inc., Horizon Mine, ACT/007/020-DO99B. Outgoing File

Dear Mr. Miller:

The Division has completed our review of all the information you have submitted in response to Division Order 99B. This included submittals received on August 20, 1999, November 18, 1999 and January 14, 2000. We have also verified that you have filed a notice of intent with the Division of Air Quality. With the submittal of the notice of intent to the Division of Air Quality you have now satisfied all of the requirements of the Division Order and your amended plans associated with it are hereby approved conditioned upon our receipt of 6 clean copies. Please provide by April 7, 2000. A copy of our Technical Analysis is enclosed for your information and records.

This concludes the actions associated with Division Order 99B. If you have any questions, please call me.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock".

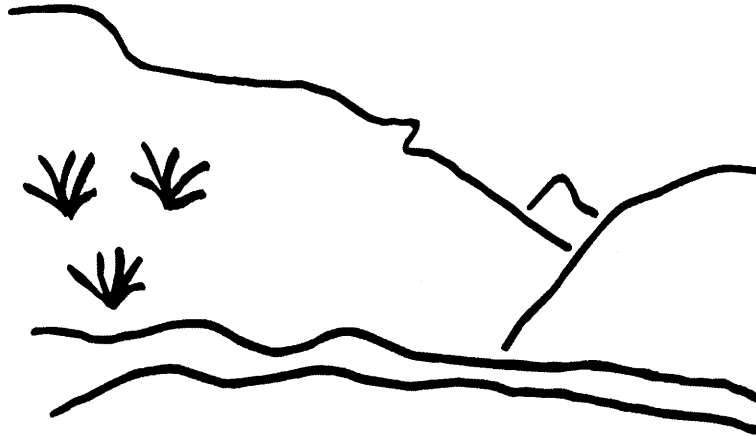
Daron R. Haddock
Permit Supervisor

sd/WJM
Enclosure

cc: Joe Wilcox, OSM
Richard Manus, BLM, Denver
Alan Rabinoff, BLM, LLC
Mark Page, Water Rights w/o
Dave Ariotti, DEQ w/o
Derris Jones, Wildlife Resources w/o
Price Field Office

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State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Horizon Mine
Division Order
ACT/007/020-DO99B
Technical Analysis
February 23, 2000

OPERATION PLAN

Revised: February 15, 2000

OPERATION PLAN

AIR POLLUTION CONTROL PLAN

Regulatory Reference: 30 CFR Sec. 784.26, 817.95; R645-301-244.

Analysis:

A letter was sent by Pam Grubaugh-Littig to Air Quality. The permittee filed a notice of intent with Air Quality. The deficiency has been addressed by the Pam Grubaugh-Littig letter. Therefore, this matter is now before Air Quality. This concludes the Division's actions. When a new Air Quality Order is issued by DEQ, please send the Division a copy of the Air Quality Order.

Findings:

This action addresses the deficiencies under the Utah Coal Rules.

SPOIL AND WASTE MATERIALS

Regulatory Reference: 30 CFR Sec. 701.5, 784.19, 784.25, 817.71, 817.72, 817.73, 817.74, 817.81, 817.83, 817.84, 817.87, 817.89; R645-100-200, -301-210, -301-211, -301-212, -301-412, -301-512, -301-513, -301-514, -301-521, -301-526, -301-528, -301-535, -301-536, -301-542, -301-553, -301-745, -301-746, -301-747.

Analysis:

Coal Mine Waste

The company, on pages 3-14 and 3-35, currently has an approved amendment to take development waste to Sunnyside Cogeneration. This was approved by the Division in October 1998. At the subsequent administrative hearing and ultimately before a hearing before the board, the material that the Division referred to as waste was reconsidered. At the board hearing the Division ruled what was called "coal waste" was "coal". The Board Chairman so ruled. Therefore, the material currently on site is coal and not coal waste. Sunnyside Cogeneration, in their permit, has a provision that they can acquire coal to supplement their refuse. Should the coal material go to Sunnyside Cogeneration, Lodestar will have to pay \$.15 per ton AML fees.

Findings:

The mine is not mining coal nor coal waste. Therefore, the statement about coal waste is not apropos. As related to future mining, the company states that future development waste may be brought to the surface. This is denied until such time that a temporary storage area is approved and a permanent coal waste site is approved by the Division.

Analysis:

OPERATION PLAN

Revised: February 15, 2000

Excess Spoil

The permittee states, on pages 3-10 and 3-11 that there will not be any excess spoil associated with this permit. However, on page 3-10, he states that sediment pond, ditch, and other clean out material will be placed in two areas as shown on the map or the company may elect to take the material to ECDC. The permittee also stated that they will take samples of the clean out material as dictated by the intended use and approved by the Division.

Findings:

This action addresses the deficiencies under the Utah Coal Rules.

MAPS, PLANS, AND CROSS SECTIONS OF MINING OPERATIONS

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-512, -301-521, -301-542, -301-632, -301-731, -302-323.

Analysis:

Mining Facilities Maps

The permittee, on pages 3-4 and 3-5, corrected the deficiencies by correcting the legends. Such corrections were made on the coal storage area on map, Plate 3-1. Also, such corrections were made on snow storage area map, Plate 3-1.

Findings:

The requirement on pages 3-4 and 3-5 this section of the regulations are considered adequate and meets the intent of the Utah Coal Rules.